



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 23, 2008

### **H.R. 3224**

### **Dam Rehabilitation and Repair Act of 2007**

*As ordered reported by the Senate Committee on Environment and Public Works  
on September 17, 2008*

#### **SUMMARY**

H.R. 3224 would authorize appropriations totaling about \$190 million through 2012 for the Federal Emergency Management Agency (FEMA) to make grants to states for repairing, replacing, reconstructing, and removing structurally deficient dams. Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 3224 would cost \$143 million over the 2009-2013 period and \$47 million thereafter. Enacting H.R. 3224 would not affect direct spending or revenues.

H.R. 3224 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3224 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
Authorization Level	15	25	50	100	0	190
Estimated Outlays	4	12	25	51	51	143

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009 and that the amounts specified by the act will be appropriated for each fiscal year.

### **Grants to States**

H.R. 3224 would authorize the appropriation of \$190 million through 2012 for FEMA to make grants to states for a maximum of 65 percent of the cost to repair, replace, reconstruct, or remove publically owned dams determined to be deficient. Deficient dams would be defined as those failing to meet minimum standards set by states and that pose an unacceptable level of risk to the public. One-third of the funds authorized by the act would be equally divided among all states that apply for assistance. The remaining two-thirds would be awarded based on the number of deficient dams within a state compared with all other applicants.

Based on historical expenditure patterns for similar activities, CBO estimates that spending for the proposed grants would total \$142 million over the 2009-2013 period. This estimate assumes that grant funds would be disbursed as construction and repairs occur and that projects would take an average of three years to complete.

### **Administration**

H.R. 3224 also would authorize the appropriation of \$400,000 a year through 2010 for the salaries and related expenses of additional staff necessary for FEMA to implement the grant program. CBO estimates that implementing this provision would cost about \$1 million over the next five years.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 3224 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. States would benefit from the grants provided in this legislation, and any costs those governments incur to comply with grant requirements would be incurred voluntarily as conditions of receiving that federal assistance.

## **PREVIOUS CBO ESTIMATE**

On August 14, 2007, CBO transmitted a cost estimate for H.R. 3224 as ordered reported by the House Committee on Transportation and Infrastructure on August 2, 2007. That version is similar to this legislation; however, CBO estimates total costs over the next five years to be greater under the Senate version of the legislation because of a later assumed enactment date.

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